Distr.
GENERAL

IDB.28/4
9 March 2004

Unit.. Nations Industrial Development Organization

ORIGINAL: ENGLISH

Industrial Development Board

Twenty-eighth session
Vienna, 25-27 May 2004
Item 8 of the provisional agenda

ACTIVITIES OF THE JOINT INSPECTION UNIT

Report by the Director-General

In accordance with Board decision IDB.24/Dec.11, reports on recommendations contained in JIU reports relevant to UNIDO during 2003.

Introduction

1. The Joint Inspection Unit (JIU) became a subsidiary organ of the Industrial Development Board by its decision IDB.1/Dec.22. A pilot scheme of follow-up to JIU recommendations was outlined in document IDB.24/18 and subsequently approved in decision IDB.24/Dec.11. In accordance with the provisions therein, one regular Board session per year will consider JIU reports (except in certain specified cases).

2. A total of seven JIU reports have been issued since the most recent Board document covering this subject (IDB.27/19 dated 1 July 2003). The present document provides the Organization's comments on those reports that are of relevance to UNIDO, as well as an updated status report on the follow-up to the JIU recommendations concerning common and joint services of United Nations system organizations at Vienna (JIU/REP/2002/12), supplementing the information contained in chapter I.F of document IDB.27/19.

3. In accordance with the follow-up system, information on compliance with other JIU recommendations with regard to substantive and thematic issues and follow-up was provided in the annex to document IDB.27/19.

Recent JIU reports

JIU/REP/2003/1*
Review of management and administration in the United Nations Industrial Development Organization (UNIDO)

JIU/REP/2003/2
Review of the United Nations budgetary process

JIU/REP/2003/3
From the Optical Disk System to the Official Documents System (ODS): Status of implementation and evaluation

JIU/REP/2003/4
Multilingualism in the United Nations system: Case study on WHO

---

* Indicates a report of direct or some relevance to UNIDO.

For reasons of economy, this document has been printed in a limited number. Delegates are kindly requested to bring their copies of documents to meetings.

JIU/REP/2003/5
Achieving the primary education goal of the Millennium Declaration: New challenges for development cooperation

JIU/REP/2003/6
Management review of the Office of the High Commissioner for Human Rights

JIU/REP/2003/7
Evaluation of the United Nations Volunteers Programme (UNV)

I. REPORTS SUBMITTED BY THE JOINT INSPECTION UNIT OF DIRECT RELEVANCE TO UNIDO

A. Review of Management and Administration in the United Nations Industrial Development Organization (UNIDO) (JIU/REP/2003/1)

4. During the past several years, JIU has undertaken a series of reviews of administration and management in United Nations specialized agencies. This review was the sixth in this series and was issued as document IDB.27/19/Add.1 of 16 July 2003.

5. The detailed comments of the Director-General on this review were issued as document IDB.27/19/Add.2 of 5 August 2003. An informal briefing of Member States was also held on 15 October 2003 when a number of issues were clarified by the Secretariat and the representative of JIU. The tenth session of the General Conference (1-5 December 2003), in resolution GC.10/Res.10, appreciated the informal briefing and the additional information that was provided by the Secretariat and the JIU representatives. Taking note of the significant reforms of the Organization, the resolution referred specifically to the achievements of the Director-General in driving it through a major organizational and programmatic transformation. It also took note in particular of the process used to appoint senior managers as well as of the accomplishments in improving gender balance. Moreover, the Conference recognized the ongoing efforts and significant achievements of the Organization to reform and strengthen its administration and the implementation capacity.

6. As requested by the General Conference in resolution GC.10/Res.10, paragraph (d), an assessment/evaluation of field operations has been carried out by the Office of the Comptroller General. The results were presented at the Board of Directors retreat held on 9-10 February 2004. Based on that assessment, document IDB.28/6 contains recommendations on how best to carry forward the process of decentralization to the field and further strengthen and rationalize the field operations of the Organization, bearing in mind the limited financial resources available.

7. Other issues relating to continual improvement of the management of the Organization are regularly reported to Member States. Initial information on improvements to the results-based programme and budgets and on performance indicators was provided in document GC.10/CRP.5, and further information is contained in the *Annual Report 2003* (IDB.28/2, chap. VI). Other developments will be reported to future sessions of the Board.

8. In order to ensure the independence of the Comptroller General in carrying out his/her duties (as stated in paragraph (e) of resolution GC.10/Res.10), a charter for the Office of the Comptroller General is under preparation and will be issued as a Director-General's bulletin to all staff at Headquarters and field offices and to permanent missions. Through this charter, the necessary independence, as well as the reporting for the work of the Comptroller General will be established.

II. REPORT ON COMMON AND JOINT SERVICES OF UNITED NATIONS SYSTEM ORGANIZATIONS AT VIENNA (JIU/REP/2002/12)

9. As reported in document IDB.27/19, chapter I.F, JIU, inter alia, recommends that the legislative organs of the Vienna-based organizations (VBOs) request their respective executive heads to jointly draw up proposals for the establishment of a single common services administrative unit. The full text of the recommendations is quoted in document IDB.27/CRP.3.

10. Consultations with all the VBOs are being held on a continuous basis. However, it should be noted that a concentration of existing common services at one of the organizations could jeopardize its capacity to perform its core functions or to provide satisfactory services.

11. In order to achieve economies of scale for all organizations, as well as to strengthen common services at the Vienna International Centre, effective 1 March 2004, UNIDO started using the travel agency providing services to the United Nations Office at Vienna and the Comprehensive Nuclear-Test-Ban Treaty Organization.

III. ACTION REQUIRED OF THE BOARD

12. In compliance with the provisions of the Statute of JIU, resolution 48/221 of the United Nations General Assembly, and paragraph 9 of the pilot system of UNIDO follow-up to JIU recommendations, the Board may wish to take note of the information contained in the present document and provide guidance for further action.